

[17 August, 2000]

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for procurement of 1 lakh AK-47 rifles and the other with M4 KOMID, Korea for procurement of 50 lakh rounds of ammunition. Whereas the rifles were supplied by the Romanian vendor, the Korean vendor failed to supply the AK-47 ammunition. Under a contract concluded in December, 1996 with M6 Romtehnica, Romania, the AK-47 ammunition has been delivered.

The initial contract value for procurement of 1 lakh AK-47 rifles and 50 million rounds of ammunition was US \$ 10.10 million and the contract value against which the supply was received was US \$ 16.42 million.

Inspection of imported ammunitions

2493. SHRI KHAGEN DAS: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have conducted any investigation as suggested by the audit to fix responsibilities for not carrying out inspection of imported ammunitions for army's use by the Controller of Quality Assurance of the Defence Department in the Central Ammunition Depot, Pulgaon case;

(b) if so, what are the outcome thereof; and

(c) if not, what preventive steps Government have taken to check recurrence of such incidents in future?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (c) A contract dated 6th August, 1990 valued at US\$ 17.25 million was signed with Mfc Federal Directorate of Supply and Procurement (FDSP), Yugoslavia for procurement of critically needed ammunition by the Army. Part supplies of ammunition were delivered by FDSP. However due to UN sanctions placing restrictions on supply of arms from Yugoslavia, which came into effect from 30.5.1992, the remaining contracted ammunitions were not delivered by FDSP. The Army was pressing for its requirement of the undelivered ammunitions.

A contract dated 21.1.1993 was signed with M* Pitcare

Limited, Hongkong for the undelivered supply of ammunition contracted with FDSP for an amount of VS\$ 6.12 million. It is presumed that this Question relates to this supply.

While part of the ammunition supplied was accepted, Central Ammunition Depot, Pulgaon intimated in September 1993 that the 130mm Illuminating ammunition was received without technical literature and range tables which delayed the checkproof. The checkproof was conducted by Directorate General of Quality Assurance (DGQA) in August 1995 on receipt of fuse setting key and range tables from the firm. Ten rounds were fired of which three recorded failures. DGQA subjected the consignment to reproof by firing 13 rounds in December 1995 out of which 12 recorded failure. Thus total 15 failures were recorded out of 23 rounds fired. In view of the unsatisfactory performance of the ammunition during checkproof, the consignment was categorized as not fit for use by DGQA in January 1996. Quality claim was raised against the firm in January 1996. Efforts made to recover the amount paid to the firm were not successful.

The transaction was considered by the Comptroller and Auditor General (C and AG) in its reprot No. 7 of 1999 (Defence Services) who *inter alia* recommended that the matter should be investigated through an independent agency to fix responsibility. Accordingly, the case was referred to CBI on 20.4.2000 for independent investigation.

Arms Dropped by Pakistan

† 2494. SHRI MOOLCHAND MEENA: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Pakistan army has dropped arms in Indian territory in recent past;

(b) if so, the details thereof;

† Original notice of the Question was received in Hindi.